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INFO RUEHEG/AMEMBASSY CAIRO 1061
RUEHFR/AMEMBASSY PARIS 2824
RUEHRB/AMEMBASSY RABAT 2456
RUEHTU/AMEMBASSY TUNIS 7312
RUEHLO/AMEMBASSY LONDON 1811
RUEHMD/AMEMBASSY MADRID 9006
RUEHCL/AMCONSUL CASABLANCA 3503
RULSDMK/DEPT OF TRANSPORTATION WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

C O N F I D E N T I A L ALGIERS 000891

SIPDIS

E.O. 12958: DECL: 08/11/2018
TAGS: [EAIR](#) [EFIN](#) [ECON](#) [AG](#)
SUBJECT: NO BREAK IN THE CLOUDS FOR ALGERIAN OPEN SKIES

REF: A. ALGIERS 1772
[1](#)B. 07 ALGIERS 946
[1](#)C. ALGIERS 728

Classified By: CDA, a.i. Thomas F. Daughton; reasons 1.4 (b, d).

[1](#)1. (C) SUMMARY: The chief of staff to the minister of post and telecommunications told Charge on August 9 she would re-examine the legal obstacles to an Open Skies agreement, but she believed that Algerian law would have to be changed to eliminate the fees charged to foreign carriers on intermodal services. She doubted that a fix to the fees, which have blocked substantive movement on the agreement for three years, could be made by a change in regulations or issuance of a presidential decree (refs A and B). She noted that further negotiations on Open Skies would require coordination and consensus between her ministry, the ministries of transportation and foreign affairs, and government organs such as the civil aviation authority and Air Algerie. Nonetheless, she offered to review the issue with her recently appointed minister, and to arrange a meeting on point between the minister and the Embassy in September. Near-term movement on our long-stalled Open Skies agreement appears unlikely in light of her interpretation of Algerian law and the fact that we have had an historically cool relationship with the new minister of transportation. END SUMMARY.

2.(C) Charge met on August 9 with Saliha Sayeh, chief of staff (chef de cabinet) to Minister of Post, Information, Technology and Communication (MPITC) Hamid Bessalah, to discuss the possibility of moving forward with an Open Skies agreement. Bessalah assumed his position at MPITC in the June 23 cabinet reshuffle (ref C), but Sayeh and other key directors were left in place from the previous minister, and she seemed both knowledgeable and forthright on the issue.

NOT THE SAME

[1](#)3. (C) Charge stressed that we still hope Algeria will find a way to treat all parcels originating outside of Algeria as international air cargo and not subject to Algerian postal regulation. He proffered that American carriers should be able to deliver any package, regardless of size or weight, to its intended recipient without having to register as a postal carrier and pay the required licensing fees. In our view, he noted, even letter-sized items should be treated as parcels rather than "post" under the Algerian postal regime. He asked whether such an interpretation would require a change in Algerian law or regulation, as we have been told previously, and if so, whether the change could be made by

presidential decree.

ALL THE SAME

14. (C) Sayeh quickly responded that this was not merely a regulatory issue, and that she doubted a presidential decree could fix the matter: "It is the law, and the law is very clear," she said. Sayeh said that under the Algerian statute controlling the post, delivery of letters is a postal function and cannot be read simply as a matter of transportation. She added that all international carriers are subject to the same law, and that it would be difficult to try to carve out an exception for American carriers under a bilateral agreement.

REFEREE NEEDED

15. (C) Sayeh also noted that finding a solution would involve stakeholders not only at MPITC, but at the ministries of transportation and foreign affairs, as well as the civil aviation authority and Air Algerie. She added, however, that inasmuch as it concerned the postal regime, the question most directly affected the MPITC. "The issue is very legalistic, complicated and regulated," she concluded, "and will require some kind of referee." Sayeh agreed that her new minister might be of assistance in moving the negotiations forward, in that he was the director of a technology development center for many years before taking the helm of MPITC and is at least somewhat business-oriented. She promised to "reactivate the file" within the ministry and to discuss it with Bessalah in the coming weeks. She also offered to invite us to meet the minister, perhaps as early as mid-September, to discuss the issue in greater detail.

COMMENT: TREATY STILL GROUNDED

16. (C) While Sayeh's open and frank manner was encouraging, she contradicted the opinions of other officials in other ministries, who have told us that a presidential decree would be the simplest way to eliminate the treatment of letter parcels as post under Algerian law (reftels). If she is correct, it does not bode well for near-term movement on the issue, as it will be difficult to coordinate consensus among the various Algerian stakeholders. One of them would need to champion and shepherd an amendment to the law through the Algerian ministerial and parliamentary process. The obvious candidate is the transportation minister, but the new minister of transportation formerly headed the ministry of health, where he routinely gave us a cold reception on major issues. We will push for an early meeting with Bessalah to repeat our mantra that Open Skies would be good for Air Algerie, good for Algerian consumers, and not harmful to Algerie Poste. He has a reputation for being more business-minded than most cabinet members, and might be willing to help us push the sclerotic and risk-averse Algerian bureaucracy.

DAUGHTON